

**TOY DISTRICT/DOWNTOWN INDUSTRIAL DISTRICT
BUSINESS IMPROVEMENT DISTRICT
BOARD OF DIRECTORS MEETING
MAY 27, 2008
MINUTES**

BOARD MEMBERS

Present: Ernie Doizaki, Howard Klein, Matt Klein, Larry Rauch, Michael Tansey and Paul Vert.

Absent: Richard Gardner, Donald Kanner, Richard Meruelo, Thomas Payne, Mark Shinbane, William Shinbane and Charlie Woo.

STAFF: Tara Devine, Raquel King, Greg Lee, Estela Lopez and Vicky McCormick.

CONSULTANTS: Qathryn Brehm, Don Steier, Steve Gibson (Urban Place Consulting)

I. CALL TO ORDER

Vert called the meeting to order with a quorum at 12:10am.

II. PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS- None

III. APPROVAL OF MINUTES

Tansey made a motion to approve the April 29, 2008 minutes, and Klein seconded. The Board unanimously approved.

IV. RENEWAL

Gibson informed the Board that he would not be presenting budget scenarios until the boundaries are set. Regarding outreach, a meeting with the Toy District property owners is set for June 12, 2008, and a meeting with the property owner of the parcels listed as "Uncle Phil" has been rescheduled for June 9.

Assessment Methodology:

Gibson expressed to the Board that currently DID and Toy's assessment methodology is based on land square footage only,

but recommends that building square footage be added to the formula.

Gibson informed the Board that at the June Board meeting he would be discussing boundaries and assessment rates including the expansion areas. At the July Board meeting Gibson stated that he would present the first draft of the management plan; once approved, Gibson will submit the final management plan to the City Clerk's office.

Term of District:

Gibson informed the Board that although most BIDs have 5-year terms, the maximum allowed by law is 10 years. Gibson pointed out that the Chinatown and South Park BIDs have 10-year terms. Gibson stated that the advantage of a 10-year BID is that renewal will take place every 10 years instead of five; the disadvantage is predicting inflation and future costs.

Rauch stated that renewing every 5 years is a drain on staff time and resources. The Board agreed to study the possibility of proposing a longer term for the Toy and DID BIDs.

Annual Increase Cap:

Gibson reported that the current maximum assessment increase for Toy is 4% and DID 3%. He stated that the annual increase cap for many BIDs is 5%. The Board unanimously agreed to move forward with the intention to propose renewal of the BIDs with a maximum annual increase of 5%.

Non-Profit Assessments:

Lopez informed the Board that the non-profits in DID currently pay 15% of the assessment rate, and 10% in Toy. The Board unanimously agreed to keep the rates at 15% in DID and 10% in Toy for the non-profit organizations.

V. FINANCIALS

Coelho was out of town and unable to attend the meeting. Lopez reported that both Toy and DID are on track; Toy is slightly under budget, but DID is on track for year-end.

Lopez informed the Board that the current Toy budget is \$540,000, but the City billed \$554,000; Toy will capture an additional \$14,000 in revenue due to property ownership changes resulting in increases in property taxes collected. The DID 1 account is also receiving an additional \$4,000 in delinquent assessments.

Lopez also reported that the balance in the CCEA private account is \$47,000.

BID Assessment Increase:

Lopez informed the Board that the 2009 assessment rate would have to be submitted to the City by June 2, 2008. She reiterated that the maximum increase in Toy is 4% and 3% in DID. Lopez recommended the maximum increase for both BIDs in order to address the impact that inflation has had on expenses such as worker's compensation, supplies and fuel costs. In 2008, staff was given very modest increases, and there have been cutbacks on all spending. Finally, Lopez stated that that building a reserve is still a goal.

Rauch made a motion to approve a 4% assessment increase for the Toy District, and a 3% assessment increase for the Downtown Industrial District for 2009, and Klein seconded. The Board unanimously approved.

VI. OPERATIONS

McCormick reported that in April 2009 there were no significant changes in the Toy District from prior months. "Bulky items" increased slightly due to ten mattresses that were left on the sidewalk. Loitering increased slightly due to issues on Winston Street, which the LAPD has resolved.

McCormick reported that in April 2009 DID experienced a slight increase with drinking in public, loitering and health and welfare checks, possibly due to the warmer weather. McCormick stated that the BID is working with the LAPD to ensure safety.

VII. EXECUTIVE SESSION

The Board went into executive session regarding maintenance contract negotiations.

VIII. LEGISLATIVE UPDATE

Devine stated that she would send a written update to the Board members via email on non-pressing issues. Devine reported that we have received requests from stakeholders in two of the BIDs to investigate the condition of Alameda Street and its potential for resurfacing. There are an increasing number of large potholes along Alameda. Several years ago, there was a designation of \$1.8million in MTA funds for re-pavement of Alameda. Devine will continue to research whether that funding was ever spent.

IX. MARKETING

Brehm reported to the Board that there would be a Quimby Fee task force meeting on May 28, 2008. The task force will be investigating the viability of identified properties for possible park locations. One of the properties is located on the 1000 block of East Olympic Blvd.

Brehm informed the Board that the Toy-DID newsletter is available online.

X. NEW BUSINESS- None

XI. ADJOURNMENT- The meeting of the Board was adjourned at 1:25pm.